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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
09/751,860	12/29/2000	Hartley C. Starkman	60709-00009	8541

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EXAMINER
GRAHAM, CLEMENT B

ART UNIT	PAPER NUMBER
3628	

DATE MAILED: 06/27/2006

Please find below and/or attached an Office communication concerning this application or proceeding.

	Application No.	Applicant(s)
Office Action Summary	09/751,860	STARKMAN, HARTLEY C.
	Examiner	**Art Unit**	
	Clement B. Graham	3628	

-- *The MAILING DATE of this communication appears on the cover sheet with the correspondence address* --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE <u>3</u> MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.
- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133).
  Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

1)☒ Responsive to communication(s) filed on <u>31 March 2006</u>.

2a)☐ This action is **FINAL**. 2b)☒ This action is non-final.

3)☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

4)☒ Claim(s) *1-20 and 22* is/are pending in the application.

    4a) Of the above claim(s) _____ is/are withdrawn from consideration.

5)☐ Claim(s) _____ is/are allowed.

6)☒ Claim(s) *1-20, 22* is/are rejected.

7)☐ Claim(s) _____ is/are objected to.

8)☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

9)☐ The specification is objected to by the Examiner.

10)☐ The drawing(s) filed on _____ is/are: a)☐ accepted or b)☐ objected to by the Examiner.

    Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).

    Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).

11)☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

12)☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).

    a)☐ All b)☐ Some * c)☐ None of:

        1.☐ Certified copies of the priority documents have been received.

        2.☐ Certified copies of the priority documents have been received in Application No. _____.

        3.☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

    * See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

1) ☒ Notice of References Cited (PTO-892)

2) ☐ Notice of Draftsperson's Patent Drawing Review (PTO-948)

3) ☐ Information Disclosure Statement(s) (PTO-1449 or PTO/SB/08) Paper No(s)/Mail Date _____.

4) ☐ Interview Summary (PTO-413) Paper No(s)/Mail Date. _____.

5) ☐ Notice of Informal Patent Application (PTO-152)

6) ☐ Other: _____.

DETAILED ACTION

1.   A request for continued examination under 37 CFR 1.114, including the fee set forth in 37

CFR 1.17(e), was filed in this application after final rejection. Since this application is eligible

for continued examination under 37 CFR 1.114, and the fee set forth in 37 CFR 1.17(e) has been

timely paid, the finality of the previous Office action has been withdrawn pursuant to 37 CFR

1.114. Applicant's submission filed on 3/31/06 has been entered.

2.   Claims 1-20 and 22 remained pending and claim 21 has been deleted.

Claim Rejections - 35 USC § 103

3.   The following is a quotation of 35 U.S.C. § 103(a) which forms the basis for all obviousness rejections set
forth in this Office action: (a) A patent may not be obtained though the invention is not identically disclosed or
described as set forth in section 102 of this title, if the differences between the subject matter sought to be
patented and the prior art are such that the subject matter as a whole would have been obvious at the time the
invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability
shall not be negatived by the manner in which the invention was made.

4.   The factual inquiries set forth in Graham v. John Deere Co., 148 USPQ 459, that are applied for

establishing a background for determining obviousness under 35 U.S.C. 103(a) are summarized as follows:

1. Determining the scope and contents of the prior art.
2. Ascertaining the differences between the prior art and the claims at issue.
3. Resolving the level of ordinary skill in the pertinent art.
4. Considering objective evidence present in the application indicating obviousness or unobviousness.

5.   Claims 1-20, and 22, are rejected under 35 U.S.C. 103(a) as being unpatentable over
Campbell et al (Hereinafter Campbell U.S. Patent 4, 774, 664) in view of Basch et al
(Hereinafter Basch U.S. Patent 6, 119,103) in view of Kosiba et al (Hereinafter Kosiba U.S.
Patent 6, 098, 052) Forbes U.S. Patent 6, 249, 217 in view of Vig U.S. Patent 6, 038, 554.

As per claim 1, 9, Campbell discloses a method for re-marketing collateral

securing a group of non-stationary asset-based loans using a computer system

configured with a collections model and a re-marketing model, the group of non-

stationary asset-based loans included within a distressed loan portfolio said method

comprising the steps of:

categorizing each non-stationary asset based loan included with the portfolio based on

a prior month's payment of the corresponding loan, wherein the non stationary asset

loan based loans include at least one automobile loans vehicle loans, and credit card

loans(see column 6 lines 40-49) categorizing each loan included within the portfolio

based on contractual delinquency of the corresponding loan and computer(note abstract

and see column 2 lines 27-44 and column 7 lines 44-67 and column 8 lines 1-3).

Campbell fail to explicitly teach utilizing the collections model to predict a payment behavior for borrowers of non-stationary asset-based loans included within a distressed loan portfolio the collections model is based on historical payment information of the borrowers and utilizing the computer and a delinquency category assigned to the loan, analyzing the borrowers payment behavior after initiating the at least one collection strategy, comparing each of the borrower's payment behavior after initiating the at lest one collection strategy to the predicted payment behavior of the same borrower and the delinquency category assigned to the corresponding loan deeming a number of the loans included within the distressed loan in-a portfolio as uncollectable based on the borrower's payment behavior comparison and computer.

However Basch discloses In accordance with one aspect of the present invention, there are provided improved financial risk prediction techniques that advantageously employ scoreable transactions as input data to assess the level of financial risk of a particular account and/or account holder. As the term is employed herein, scoreable transactions represent events pertaining to an account and/or an account holder that impact the financial risk level of that account and/or account holder. Examples of scoreable transactions include, for example, authorization requests for purchases of goods or services made on credit, clearing and settlement transactions between merchants and account issuers pertaining to one or more accounts, account issuer-supplied account records, public records, and the like, Unlike prior art risk prediction techniques which typically employ only historical payment data for financial risk assessment purposes, the present invention advantageously takes advantage of the immediacy of scoreable transactions in assessing financial risks. Since scoreable transactions more accurately reflect the current financial risk level of a particular account and/or account holder than historical payment data, the use of scoreable transactions in assessing financial risk advantageously enables account issuers to timely receive financial risk scores based on events that impact financial risk rather than on data which are updated only monthly or per billing cycle. (note abstract and see column 5 lines 46-51 and column 8 lines 1-12 and column 6 lines 14-31).

Therefore it would have been obvious to one of ordinary skill in the art at the time the invention was made to modify the teachings of Campbell to include utilizing the collections model to predict a payment behavior for borrowers of non-stationary asset-based loans included within a distressed loan portfolio the collections model is based on historical payment information of the borrowers and utilizing the computer and a delinquency category assigned to the loan, analyzing the borrowers payment behavior after initiating the at least one collection strategy, comparing each of the borrower's payment behavior after initiating the at lest one collection strategy to the predicted payment behavior of the same borrower and the delinquency category assigned to the corresponding loan deeming a number of the loans included within the distressed loan in-a portfolio as uncollectable based on the borrower's payment behavior comparison and computer taught by Basch in order to perform risk prediction.

Campbell and Basch fail to explicitly teach incorporating management feedback into expectations of future performance wherein management feedback includes recommending a change in collection strategies used for prompting payment from the borrower associated with the loan included with the portfolio and predicting future payment performance of the borrower based on the recommended change in collection strategies and updating the collection model based on payment comparisons and the management feedback wherein the updated collections model predicts future cash flows for each loan included within the portfolio and wherein the updated collections model is configured t apply a greater weight to the payment performance of each loan for the current month as compared to the payment performance of each loan for prior months.

However Kosiba discloses the present invention is a computerized collection strategy model that optimizes the use of collection resources by determining an optimum collection strategy to be used for each delinquent account. The collection strategy model comprises an automated method as illustrated in FIG. 1A and includes the steps of first determining how a collection strategy is converted into something the consumer/credit card member experiences based on the connect and contact probabilities. Next the system automatically evaluates how the consumer will react to

that "experience". Will the consumer make one or more payments? How much will they pay? Also historical data will be used to estimate how effective a consumer/credit card member experience is on a consumer. At this stage. the system can also estimate the amount of resources that will be expended during the collection strategy. Once the system estimates the payments and resources requirement for each collection strategy the Resource Allocation Model determines what collection strategy for each account best utilizes the available collection resources). (see column 3 lines 1-34).

Therefore it would have been obvious to one of ordinary skill in the art at the time the invention was made to modify the teachings of Campbell and Basch to include incorporating management feedback into expectations of future performance wherein management feedback includes recommending a change in collection strategies used for prompting payment from the borrower associated with the loan included with the portfolio and predicting future payment performance of the borrower based on the recommended change in collection strategies and updating the collection model based on payment comparisons and the management feedback wherein the updated collections model predicts future cash flows for each loan included within the portfolio and wherein the updated collections model is configured t apply a greater weight to the payment performance of each loan for the current month as compared to the payment performance of each loan for prior months taught by Kosiba in order to execute an collection strategy for non payment of credit cards debts.

Campbell, Basch and Kosiba fail to explicitly teach utilizing the re-marketing model to predict expenses incurred from repossessing each of the non-stationarv assets used as collateral for the uncollectable loans including the expenses associated with locating each of the assets storing each of the assets and selling each of the assets and utilizing the computer and the re-marketing model to predict a value generated from repossessing and selling each of the non-stationarv assets used as collateral for the uncollectable loans.

However Forbes discloses a preliminary matter, it is contemplated that a lending institution makes a loan/lease arrangement with a borrower respecting a vehicle. The Vehicle is used as collateral for the loan. Whether the vehicle is purchased, leased or

rented, it is understood that the party seeking to secure, confiscate, repossess or otherwise seize the vehicle may be a bank, savings and loan, mortgage company, credit union, vehicle dealership, vehicle manufacturer, leasing agent, collection agency, or any other lending/financial institution and agents thereof. It if further understood that the holder or possessor of the vehicle may be the individual responsible for payment of the vehicle loan/lease and may be referred to as the purchaser, debtor, borrower or lessee for purposes of the present invention, the term vehicle is contemplated to include automobiles, trucks, motor cycles, boats, house boats, airplanes, helicopters, house trailers, mobile homes, recreational vehicles, heavy machinery (such as tractors) and other devices used for transportation.(see column 3 lines 1-25 and column 4 lines 18-37 and (see column 1 lines 40-45 and column 3 lines 5-20).

Therefore it would have been obvious to one of ordinary skill in the art at the time the invention was made to modify the teaching of Campbell and Basch to include plurality of collection strategies that may be utilized for collecting pavment from the borrowers non-stationarv asset based loans include at least one of automobile loans vehicle loans and credit card loans initiating at least one of the pluralitv of collection strategies with respect to the borrowers, pursuing repossession of the non-stationarv assets used as collateral for the uncollectable loans utilizing the computer and the re-marketing model to predict expenses incurred from repossessing each of the non-stationarv assets used as collateral for the uncollectable loans including the expenses associated with locating each of the assets storing each of the assets and selling each of the assets and utilizing the computer and the re-marketing model to predict a value generated from repossessing and selling each of the non-stationarv assets used as collateral for the uncollectable loans taught by Forbes in order to provide collateral retrieval and more particularly vechicular collateral in which a transmitter is installed in the vehicle which provides locational data.

Campbell, Basch, Kosiba and Forbes fail to explicitly teach re-marketing model to predict expenses incurred from repossessing each of the non-stationary assets used as collateral for the uncollectable loans including the expenses associated with locating each of the assets storing each of the assets and selling each of the assets and utilizing

the computer and the re-marketing model to predict a value generated from repossessing and selling each of the non-stationary assets used as collateral for the uncollectable loans.

However Vig discloses one of the important challenges this invention solves is calculating the relative true dollar values of many cars that offer varying attribute levels for every discoverable automobile characteristic, including safety, comfort, reliability and style and the inquirer responding to the relevant quiz series, or more prompts by the computer concerning certain facts about a probed used automobile (FIG. 12-23), for instance, the Non-Subjective Valuing.COPYRGT and a computer gives the user the particular selected target automobile's current dollar values on that day, at that hour, in that town, as follows (Note abstract and see column 12 line 20 and column 21 lines 20-35) and calculating the value of a used car.(see column 68 lines 15-20).
Further planning for disposition of the repossessed collateral would have been obvious because a company would have been able to recover the funds that it was owed.

Therefore it would have been obvious to one of ordinary skill in the art at the time the invention was made to modify the teaching of Campbell, Basch and Forbes to include re-marketing model to predict expenses incurred from repossessing each of the non-stationarv assets used as collateral for the uncollectable loans including the expenses associated with locating each of the assets storing each of the assets and selling each of the assets and utilizing the computer and the re-marketing model to predict a value generated from repossessing and selling each of the non-stationary assets used as collateral for the uncollectable loans taught by Vig in order to provide valuation and asymmetric information in the marketplace by conclusively providing the user the true monetary value of something based on ideal (perfect, optimal, or maximum) information about the probed entity, thus this invention is a highly desirable, beneficial and novel tool both for consumers and providers of goods and services.

As per claim 2, Campbell, Basch and Kosiba fail to explicitly teach wherein said step of pursuing repossession of collateral for the loans further comprises the step of categorizing the collateral as one of located or not found.

However Forbes discloses a preliminary matter, it is contemplated that a lending institution makes a loan/lease arrangement with a borrower respecting a vehicle. The Vehicle is used as collateral for the loan. Whether the vehicle is purchased, leased or rented, it is understood that the party seeking to secure, confiscate, repossess or otherwise seize the vehicle may be a bank, savings and loan, mortgage company, credit union, vehicle dealership, vehicle manufacturer, leasing agent, collection agency, or any other lending/financial institution and agents thereof. It if further understood that the holder or possessor of the vehicle may be the individual responsible for payment of the vehicle loan/lease and may be referred to as the purchaser, debtor, borrower or lessee for purposes of the present invention, the term vehicle is contemplated to include automobiles, trucks, motor cycles, boats, house boats, airplanes, helicopters, house trailers, mobile homes, recreational vehicles, heavy machinery (such as tractors) and other devices used for transportation.(see column 3 lines 1-25 and column 4 lines 18-37 and (see column 1 lines 40-45 and column 3 lines 5-20).

Therefore it would have been obvious to one of ordinary skill in the art at the time the invention was made to modify the teaching of Campbell, Basch, Kosiba, Forbes and Vig to include pursuing repossession of collateral for the loans further comprises the step of categorizing the collateral as one of located or not found taught by Forbes in order to provide collateral retrieval and more particularly vechicular collateral in which a transmitter is installed in the vehicle which provides locational data.

As per claim 3, Campbell, Basch, Kosiba, Forbes and Vig fail to explicitly teach further comprising the step of categorizing located collateral as one of auctioned, redeemed and placed in inventory.

However auctioned, redeemed a property and placing the property in inventory are old and well known steps in the art of repossession because it would have obvious that after redeeming the property whether it is placed in inventory the primary objective of the company would have been to recover money lost on the sale of the property and the sale of the property would have imminent and sale of the property at an auction or among the regular inventory would not have restricted the primary objective of selling the property.

Therefore it would have been obvious to one of ordinary skill in the art at the time the invention was made to modify the teachings of Campbell, Basch, Kosiba, Forbes and Vig to include the step of categorizing located collateral as one of auctioned, redeemed and placed in inventory because it would have obvious that after redeeming the property whether it is placed in inventory the primary objective of the company would have been to recover money lost on the sale of the property and the sale of the property would have imminent and sale of the property at an auction or among the regular inventory would not have restricted the primary objective of selling the property.

As per claim 4, Campbell, Basch, Kosiba, Forbes and Vig fail to explicitly teach further comprising the step of engaging an agency to locate the not found collateral. However engaging an repossession agency to locate the not found collateral is old and well known in the art because these agency are more capable of finding a not found collateral by tracking the user of the collateral and using other strategies in locating a collateral.

Therefore if would have been obvious to one of ordinary skill in the art at the time the invention was made to modify the teachings of Campbell, Basch, Kosiba, Forbes and Vig to include the step of engaging an repossession agency to locate the not found collateral because the agency are more capable of finding a not found collateral by tracking the user of the collateral and using other strategies in locating a collateral.

As per claim 5, Campbell, Basch, Kosiba, Forbes and Vig fail to explicitly teach further comprising the step of writing off the not found collateral.

However the step of writing off the not found collateral is old and well known in the art of repossession because an institution would be unable to recover the funds owed by reselling the collateral.

Therefore it would have been obvious to one of ordinary skill in the art at the time the invention was made to modify the teachings of Campbell, Basch, Kosiba, Forbes and Vig to include the step of writing off the not found collateral because an institution would be unable to recover the funds owed by reselling the collateral.

As per claims 6-8, Campbell, Basch, Kosiba, and Forbes fail to teach a system wherein said re-marketing model configured to:

plan for storage of the collateral, and plan for a sale of the collateral.

However Vig discloses one of the important challenges this invention solves is calculating the relative true dollar values of many cars that offer varying attribute levels for every discoverable automobile characteristic, including safety, comfort, reliability and style and the inquirer responding to the relevant quiz series, or more prompts by the computer concerning certain facts about a probed used automobile (FIG. 12-23), for instance, the Non-Subjective Valuing.COPYRGT and a computer gives the user the particular selected target automobile's current dollar values on that day, at that hour, in that town, as follows (Note abstract and see column 12 line 20 and column 21 lines 20-35) and calculating the value of a used car.(see column 68 lines 15-20).
Further storing a collateral after it has been repossessed from a buyer would have been obvious because the collateral would have had to be stored for safe keeping in order for the planning and determining how the collateral will be sold.

Therefore if would have been obvious to one of ordinary skill in the art at the time the invention was made to modify the teachings of Campbell, Basch, Kosiba, Forbes to include storage of a collateral because the collateral would have had to be stored for safe keeping in order for the planning and determining how the collateral will be sold taught by Vic in order to store collateral at a specific location.

As per claim 10, Campbell, Basch, Kosiba, and Forbes fail to teach combining predicted sales proceeds based on the collateral and predicted cash flow of redeemed loans to predict a total cash flow estimate for a particular month.

However Vig discloses one of the important challenges this invention solves is calculating the relative true dollar values of many cars that offer varying attribute levels for every discoverable automobile characteristic, including safety, comfort, reliability and style and the inquirer responding to the relevant quiz series, or more prompts by the computer concerning certain facts about a probed used automobile (FIG. 12-23), for instance, the Non-Subjective Valuing.COPYRGT and a computer gives the user the particular selected target automobile's current dollar values on that day, at that hour, in that town, as follows(Note abstract and see column 12 line 20 and column 21 lines 20-35) and calculating the value of a used car.(see column 68 lines 15-20).

It would have been obvious that information is based on the redeemed loans and the dollor value of those loans an institution would have been able to predict a total cash flow estimate for a particular month.

Therefore it would have been obvious to one of ordinary skill in the art the time the invention was made to modify the teachings of Campbell, Basch, Kosiba, Forbes to include the step predict a total cash flow estimate for a particular month because the information would have been based on the redeemed loans and the dollor value of those loans.

As per claim 11, 19, Campbell discloses a method for re-marketing collateral securing a group of non-stationary asset-based the group of non-stationarv asset-based loans included within a distressed loan portfolio said method comprising:
at least computer;
a server configured with a collections model and a remarketing model said server configured to categorizing each non-stationary asset based loan included with the portfolio based on a prior month's payment of the corresponding loan, wherein the non stationary asset loan based loans include at least one automobile loans vehicle loans, and credit card loans categorize each loan included within the portfolio based on contractual delinquency of the corresponding loan(note abstract and see column 2 lines 27-44 and column 7 lines 44-67 and column 8 lines 1-3).

Campbell fail to explicitly teach access the collections model to predict a payment behavior for borrowers of non-stationary asset-based loans included within a distressed loan portfolio the collections model is based on historical payment information of the borrowers and a plurality of collection strategies that may be utilized for collecting payment from borrowers and a delinquency category assigned to the loan, analyze the borrowers payment behavior after initiating the at least one of the collection strategies compare, each of the borrower's payment behavior after initiating the at lest one collection strategy to the predicted payment behavior of the same borrower and after the delinquency category has been assigned to the corresponding loan analyze borrowers' s payment behavior after at least one of plurality of collection strategies and compare each borrower' s payment after initiating the at least one collection strategy to

the predicted payment behavior of the same borrower and after the delinquency category has been assigned to the corresponding loan and deeming a number of the loans included within the distressed loan portfolio as uncollectible based on the borrower's payment behavior comparison and the updated collections model.

However Basch discloses in accordance with one aspect of the present invention, there are provided improved financial risk prediction techniques that advantageously employ scoreable transactions as input data to assess the level of financial risk of a particular account and/or account holder. As the term is employed herein, scoreable transactions represent events pertaining to an account and/or an account holder that impact the financial risk level of that account and/or account holder. Examples of scoreable transactions include, for example, authorization requests for purchases of goods or services made on credit, clearing and settlement transactions between merchants and account issuers pertaining to one or more accounts, account issuer-supplied account records, public records, and the like, Unlike prior art risk prediction techniques which typically employ only historical payment data for financial risk assessment purposes, the present invention advantageously takes advantage of the immediacy of scoreable transactions in assessing financial risks. Since scoreable transactions more accurately reflect the current financial risk level of a particular account and/or account holder than historical payment data, the use of scoreable transactions in assessing financial risk advantageously enables account issuers to timely receive financial risk scores based on events that impact financial risk rather than on data which are updated only monthly or per billing cycle. (note abstract and see column 5 lines 46-51 and column 8 lines 1-12 and column 6 lines 14-31).

Therefore it would have been obvious to one of ordinary skill in the art at the time the invention was made to modify the teachings of Campbell to include collections model to predict a payment behavior for borrowers of non-stationary asset-based loans included within a distressed loan portfolio the collections model is based on historical payment information of the borrowers and a plurality of collection strategies that may be utilized for collecting payment from borrowers and a delinquency category assigned to the loan, analyze the borrowers payment behavior after initiating the at least one of the

collection strategies compare, each of the borrower's payment behavior after initiating the at lest one collection strategy to the predicted payment behavior of the same borrower and after the delinquency category has been assigned to the corresponding loan analyze borrowers' s payment behavior after at least one of plurality of collection strategies and compare each borrower' s payment after initiating the at least one collection strategy to the predicted payment behavior of the same borrower and after the delinquency category has been assigned to the corresponding loan and deeming a number of the loans included within the distressed loan portfolio as uncollectible based on the borrower's payment behavior comparison and the updated collections model. taught by Basch in order to perform risk prediction for loans.

Campbell and Basch fail to explicitly teach pursuing repossession of the non stationary assets used as collateral for the uncollectible loans incorporate management feedback into expectations of future performance wherein management feedback includes recommending a change in collection strategies used for prompting payment from the borrower associated with the loan included with the portfolio and predicting future payment performance of the borrower based on the recommended change in collection strategies and updating the collection model based on payment comparisons and the management feedback wherein the updated collections model predicts future cash flows for each loan included within the portfolio and wherein the updated collections model is configured t apply a greater weight to the payment performance of each loan for the current month as compared to the payment performance of each loan for prior months.

However Kosiba discloses the present invention is a computerized collection strategy model that optimizes the use of collection resources by determining an optimum collection strategy to be used for each delinquent account. The collection strategy model comprises an automated method as illustrated in FIG. 1A and includes the steps of first determining how a collection strategy is converted into something the consumer/credit card member experiences based on the connect and contact probabilities. Next the system automatically evaluates how the consumer will react to that "experience". Will the consumer make one or more payments? How much will they

pay? Also historical data will be used to estimate how effective a consumer/credit card member experience is on a consumer. At this stage. the system can also estimate the amount of resources that will be expended during the collection strategy. Once the system estimates the payments and resources requirement for each collection strategy the Resource Allocation Model determines what collection strategy for each account best utilizes the available collection resources). (see column 3 lines 1-34).

Therefore it would have been obvious to one of ordinary skill in the art at the time the invention was made to modify the teachings of Campbell and Basch to include incorporate management feedback into expectations of future performance wherein management feedback includes recommending a change in collection strategies used for prompting payment from the borrower associated with the loan included with the portfolio and predicting future payment performance of the borrower based on the recommended change in collection strategies and updating the collection model based on payment comparisons and the management feedback wherein the updated collections model predicts future cash flows for each loan included within the portfolio and wherein the updated collections model is configured t apply a greater weight to the payment performance of each loan for the current month as compared to the payment performance of each loan for prior months taught by Kosiba in order to execute an collection strategy for non payment of credit cards debts.

Campbell, Basch and Kosiba fail to explicitly teach pursuing repossession of the non-stationarv assets used as collateral for the uncollectable loans utilizing the computer and the re-marketing model to predict expenses incurred from repossessing each of the non-stationarv assets used as collateral for the uncollectable loans including the expenses associated with locating each of the assets storing each of the assets and selling each of the assets and utilizing the computer and the re-marketing model to predict a value generated from repossessing and selling each of the non-stationarv assets used as collateral for the uncollectable loans.

However Forbes discloses a preliminary matter, it is contemplated that a lending institution makes a loan/lease arrangement with a borrower respecting a vehicle. The Vehicle is used as collateral for the loan. Whether the vehicle is purchased, leased or

rented, it is understood that the party seeking to secure, confiscate, repossess or otherwise seize the vehicle may be a bank, savings and loan, mortgage company, credit union, vehicle dealership, vehicle manufacturer, leasing agent, collection agency, or any other lending/financial institution and agents thereof. It if further understood that the holder or possessor of the vehicle may be the individual responsible for payment of the vehicle loan/lease and may be referred to as the purchaser, debtor, borrower or lessee for purposes of the present invention, the term vehicle is contemplated to include automobiles, trucks, motor cycles, boats, house boats, airplanes, helicopters, house trailers, mobile homes, recreational vehicles, heavy machinery (such as tractors) and other devices used for transportation.(see column 3 lines 1-25 and column 4 lines 18-37 and (see column 1 lines 40-45 and column 3 lines 5-20).

Therefore it would have been obvious to one of ordinary skill in the art at the time the invention was made to modify the teaching of Freeman to include plurality of collection strategies that may be utilized for collecting payment from the borrowers non-stationary asset based loans include at least one of automobile loans vehicle loans and credit card loans initiating at least one of the plurality of collection strategies with respect to the borrowers, pursuing repossession of the non-stationary assets used as collateral for the uncollectable loans utilizing the computer and the re-marketing model to predict expenses incurred from repossessing each of the non-stationary assets used as collateral for the uncollectable loans including the expenses associated with locating each of the assets storing each of the assets and selling each of the assets and utilizing the computer and the re-marketing model to predict a value generated from repossessing and selling each of the non-stationary assets used as collateral for the uncollectable loans taught by Forbes in order to provide collateral retrieval and more particularly vechicular collateral in which a transmitter is installed in the vehicle which provides locational data.

Campbell, Basch, Kosiba and Forbes fail to explicitly teach re-marketing model to predict expenses incurred from repossessing each of the non-stationary assets used as collateral for the uncollectable loans including the expenses associated with locating each of the assets storing each of the assets and selling each of the assets and utilizing

the computer and the re-marketing model to predict a value generated from repossessing and selling each of the non-stationarv assets used as collateral for the uncollectable loans.

However Vig discloses one of the important challenges this invention solves is calculating the relative true dollar values of many cars that offer varying attribute levels for every discoverable automobile characteristic, including safety, comfort, reliability and style and the inquirer responding to the relevant quiz series, or more prompts by the computer concerning certain facts about a probed used automobile (FIG. 12-23), for instance, the Non-Subjective Valuing.COPYRGT and a computer gives the user the particular selected target automobile's current dollar values on that day, at that hour, in that town, as follows (Note abstract and see column 12 line 20 and column 21 lines 20-35) and calculating the value of a used car.(see column 68 lines 15-20).

Further planning for disposition of the repossessed collateral would have been obvious because a company would have been able to recover the funds that it was owed.

Therefore it would have been obvious to one of ordinary skill in the art at the time the invention was made to modify the teaching of Campbell, Basch, Kosiba and Forbes to include re-marketing model to predict expenses incurred from repossessing each of the non-stationarv assets used as collateral for the uncollectable loans including the expenses associated with locating each of the assets storing each of the assets and selling each of the assets and utilizing the computer and the re-marketing model to predict a value generated from repossessing and selling each of the non-stationarv assets used as collateral for the uncollectable loans taught by Vig in order to provide valuation and asymmetric information in the marketplace by conclusively providing the user the true monetary value of something based on ideal (perfect, optimal, or maximum) information about the probed entity, thus this invention is a highly desirable, beneficial and novel tool both for consumers and providers of goods and services.

As per claim 12, Campbell, Basch and Kosiba, fail to explicitly teach wherein said step of pursuing repossession of collateral for the loans further comprises the step of categorizing the collateral as one of located or not found.

However Forbes discloses a preliminary matter, it is contemplated that a lending institution makes a loan/lease arrangement with a borrower respecting a vehicle. The Vehicle is used as collateral for the loan. Whether the vehicle is purchased, leased or rented, it is understood that the party seeking to secure, confiscate, repossess or otherwise seize the vehicle may be a bank, savings and loan, mortgage company, credit union, vehicle dealership, vehicle manufacturer, leasing agent, collection agency, or any other lending/financial institution and agents thereof. It if further understood that the holder or possessor of the vehicle may be the individual responsible for payment of the vehicle loan/lease and may be referred to as the purchaser, debtor, borrower or lessee for purposes of the present invention, the term vehicle is contemplated to include automobiles, trucks, motor cycles, boats, house boats, airplanes, helicopters, house trailers, mobile homes, recreational vehicles, heavy machinery (such as tractors) and other devices used for transportation.(see column 3 lines 1-25 and column 4 lines 18-37 and (see column 1 lines 40-45 and column 3 lines 5-20).

Therefore it would have been obvious to one of ordinary skill in the art at the time the invention was made to modify the teaching of Campbell, Basch and Kosiba to include pursuing repossession of collateral for the loans further comprises the step of categorizing the collateral as one of located or not found taught by Forbes in order to provide collateral retrieval and more particularly vechicular collateral in which a transmitter is installed in the vehicle which provides locational data.

As per claim 13, Campbell, Basch, Kosiba, Forbes and Vic fail to explicitly teach further comprising the step of categorizing located collateral as one of auctioned, redeemed and placed in inventory.

However auctioned, redeemed a property and placing the property in inventory are old and well known steps in the art of repossession because it would have obvious that after redeeming the property whether it is placed in inventory the primary objective of the company would have been to recover money lost on the sale of the property and the sale of the property would have imminent and sale of the property at an auction or among the regular inventory would not have restricted the primary objective of selling the property.

Therefore it would have been obvious to one of ordinary skill in the art at the time the invention was made to modify the teachings of Campbell, Basch, Kosiba, Forbes and Vic to include the step of categorizing located collateral as one of auctioned, redeemed and placed in inventory because it would have obvious that after redeeming the property whether it is placed in inventory the primary objective of the company would have been to recover money lost on the sale of the property and the sale of the property would have imminent and sale of the property at an auction or among the regular inventory would not have restricted the primary objective of selling the property.

As per claim 14, Campbell, Basch, Kosiba, Forbes and Vic fail to explicitly teach further comprising the step of engaging an agency to locate the not found collateral. However engaging an repossession agency to locate the not found collateral is old and well known in the art because these agency are more capable of finding a not found collateral by tracking the user of the collateral and using other strategies in locating a collateral.

Therefore if would have been obvious to one of ordinary skill in the art at the time the invention was made to modify the teachings of Campbell, Basch, Kosiba, Forbes and Vic to include the step of engaging an repossession agency to locate the not found collateral because the agency are more capable of finding a not found collateral by tracking the user of the collateral and using other strategies in locating a collateral.

As per claim 15, Campbell, Basch, Kosiba, Forbes and Vic explicitly teach further comprising the step of writing off the not found collateral.
However the step of writing off the not found collateral is old and well known in the art of repossession because an institution would be unable to recover the funds owed by reselling the collateral.
Therefore it would have been obvious to one of ordinary skill in the art at the time the invention was made to modify the teachings of Campbell, Basch, Kosiba, Forbes and Vic include the step of writing off the not found collateral because an institution would be unable to recover the funds owed by reselling the collateral.

As per claims 16-18, Campbell, Basch, Kosiba, and Forbes fail to teach wherein said re-marketing model configured to:

plan for storage of the collateral, and plan for a sale of the collateral.

However Vig discloses discloses one of the important challenges this invention solves is calculating the relative true dollar values of many cars that offer varying attribute levels for every discoverable automobile characteristic, including safety, comfort, reliability and style and the inquirer responding to the relevant quiz series, or more prompts by the computer concerning certain facts about a probed used automobile (FIG. 12-23), for instance, the Non-Subjective Valuing.COPYRGT and a computer gives the user the particular selected target automobile's current dollar values on that day, at that hour, in that town, as follows (Note abstract and see column 12 line 20 and column 21 lines 20-35) and calculating the value of a used car.(see column 68 lines 15-20).

Further storing a collateral after it has been repossessed from a buyer would have been obvious because the collateral would have had to be stored for safe keeping in order for the planning and determining how the collateral will be sold.

Therefore if would have been obvious to one of ordinary skill in the art at the time the invention was made to modify the teachings of Campbell, Basch, Kosiba, and Forbes to include storage of a collateral because the collateral would have had to be stored for safe keeping taught by Vig the planning and determining how the collateral will be sold.

As per claim 20, Campbell, Basch, Kosiba, and Forbes fail to teach combining predicted sales proceeds based on the collateral and predicted cash flow of redeemed loans to predict a total cash flow estimate for a particular month.

However Vig discloses one of the important challenges this invention solves is calculating the relative true dollar values of many cars that offer varying attribute levels for every discoverable automobile characteristic, including safety, comfort, reliability and style and the inquirer responding to the relevant quiz series, or more prompts by the computer concerning certain facts about a probed used automobile (FIG. 12-23), for instance, the Non-Subjective Valuing.COPYRGT and a computer gives the user the particular selected target automobile's current dollar values on that day, at that hour, in that town, as follows (Note abstract and see column 12 line 20 and column 21 lines 20-35) and calculating the value of a used car.(see column 68 lines 15-20).

It would have been obvious that information is based on the redeemed loans and the dollor value of those loans an institution would have been able to predict a total cash flow estimate for a particular month.

Therefore it would have been obvious to one of ordinary skill in the art the time the invention was made to modify the teachings of Campbell, Basch, Kosiba, and Forbes to include the step predict a total cash flow estimate for a particular month because the information would have been based on the redeemed loans and the dollor value of those loans an institution.

As per claim 22,   Freeman discloses wherein said network is at least one of a WAN or a LAN.(i. e, network") (see column 18 lines 45-67).

Conclusion

Response to Arguments

6.   Applicant's arguments files on 3/31/06 have been fully considered but are not persuasive for the following reasons.

7.   With respect to Applicant's argument, on Obviousness Examiner respectfully submits that obviousness is not determined on the basis of the evidence as a whole and the relative persuasiveness of the arguments. See In re Oetiker, 977F. 2d 1443, 1445,24 USPQ2d 1443, 1444 (Fed. Cir. 1992); In re Hedges, 783F.2d 1038, 1039, 228 USPQ* 685, 686 (Fed. Cir.1992); In re Piaseckii, 745 F.2d 1468, 1472, 223 USPQ 785, 788 (Fed. Cir.1984); In re Rinehart, 531 F.2d 1048, 1052, 189 USPQ 143, 147 (CCPA 1976). Using this standard, the Examiner respectfully submits that he has at least satisfied the burden of presenting a prima facie case of obviousness, since he has presented evidence of corresponding claim elements in the prior art and has expressly articulated the combinations and the motivations for combinations that fairly suggest Applicant's claimed invention. Note, for example, in the instant case, the Examiner respectfully notes that each and every motivation to combine the applied references are accompanied by select portions of the respective reference(s) which specially support that particular motivation and /or an explanation based on the logic and scientific reasoning of one ordinarily skilled in the art at the time of the invention that support a holding of obviousness. As such, it is not seen that the Examiner's

combination of references is unsupported by the applied prior art of record. Rather, it is respectfully submitted that explanation based on the logic and scientific reasoning of one of ordinarily skilled in the art at the time of the invention that support a holding of obviousness has been adequately provided by the motivations and reasons indicated by the Examiner, Ex pane Levengood, 28 USPQ2d 1300(Bd. Pat. App &.,4/293 Therefore the combination of reference is proper and the rejection is maintained.
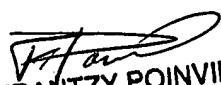
12.   Any inquiry concerning this communication or earlier communications from the examiner should be directed to Clement B Graham whose telephone number is 703-305-1874. The examiner can normally be reached on 7am to 5pm.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Hyung S. Sough can be reached on 703-308-0505. The fax phone numbers for the organization where this application or proceeding is assigned are 703-305-0040 for regular communications and 703-305-0040 for After Final communications.

Any inquiry of a general nature or relating to the status of this application or proceeding should be directed to the receptionist whose telephone number is 703-305-3900.

CG

June 18, 2006

FRANTZY POINVIL
PRIMARY EXAMINER
Au 3628